



# Fresno Council of Governments

## TDA Triennial Performance Audit of the Fresno Economic Opportunities Commission for FY 2021/22 - FY 2023/24



Final Report | June 2025



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## Chapter 1 | Executive Summary

In 2024, the Fresno Council of Governments selected Moore & Associates, Inc., to prepare Triennial Performance Audits of itself as the RTPA and the four transit operators to which it allocates TDA funding.

The California Public Utilities Code requires all recipients of Transit Development Act (TDA) Article 4 funding to undergo an independent performance audit on a three-year cycle in order to maintain funding eligibility. While not statutorily required, audits of Article 8 recipients are encouraged.

The Triennial Performance Audit is designed to be an independent and objective evaluation of the Fresno Economic Opportunities Commission as a public transit operator, providing operator management with information on the economy, efficiency, and effectiveness of its programs across the prior three fiscal years. In addition to assuring legislative and governing bodies (as well as the public) that resources are being economically and efficiently utilized, the Triennial Performance Audit fulfills the requirement of PUC Section 99246(a) that the RTPA designate an entity other than itself to conduct a performance audit of the activities of each operator to whom it allocates funds.

This chapter summarizes key findings and recommendations developed during the Triennial Performance Audit (TPA) of the Fresno Economic Opportunities Commission's public transit program for the period:

- Fiscal Year 2021/22,
- Fiscal Year 2022/23, and
- Fiscal Year 2023/24.

In the past, the Fresno EOC was the co-designated CTSA with the City of Fresno in urban areas and with Fresno County Rural Transit Agency in rural areas. All transit programs under the FEOC are operated in-house and monitored daily.

The Fresno County Economic Opportunities Commission (FEOC) had been the co-designated Consolidated Transportation Service Agency for both rural and urban portions of Fresno County since 1983. The FEOC provides a variety of transportation-related services for clients throughout the county, including client transportation, vehicle maintenance, and meal delivery. It does not operate as a traditional transit service, but instead contracts with organizational clients to provide services to members. While changes in 2020 resulted in the City of Fresno (FAX) and the Fresno County Rural Transit Agency (FCRTA) being named the sole designees for Urban and Rural CTSA, respectively, the FEOC continues to operate its CTSA services on behalf of these entities. These services include a paratransit service for individuals with specific needs and a fee-for-service transportation.

This performance audit was conducted in accordance with generally accepted government auditing standards. Those standards require that the audit team plans and performs the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for its findings and conclusions based on the audit objectives. Moore & Associates believes the evidence obtained provides a reasonable basis for our findings and conclusions.

This audit was also conducted in accordance with the processes established by the California Department of Transportation (Caltrans), as outlined in the *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities*.

The Triennial Performance Audit includes five elements:

- Compliance requirements,
- Prior recommendations,
- Analysis of program data reporting,
- Performance Audit, and
- Functional review.

#### Test of Compliance

Based on discussions with Fresno Economic Opportunities Commission staff, analysis of program performance, and an audit of program compliance and function, the audit team presents no compliance findings.

#### Status of Prior Recommendations

The prior audit – completed in May 2022 by Moore & Associates, Inc. for the three fiscal years ending June 30, 2021 – included four recommendations:

1. Ensure data for the State Controller Reports is provided in a timely manner.  
**Status:** Implemented.
2. Work with TDA auditors to ensure the TDA fiscal audit can be completed no later than March 31.  
**Status:** No longer relevant.
3. Ensure data is cited as accurately as possible on all reporting documents.  
**Status:** Implementation in progress.
4. Work with the TDA fiscal auditors and the Fresno COG to ensure a detailed summary of farebox revenue ratios is included in each subsequent TDA fiscal audit.  
**Status:** No longer relevant.

#### Findings and Recommendations

Based on discussions with Fresno Economic Opportunities Commission staff, analysis of program performance, and an audit of program compliance and function, the audit team presents no compliance finding.

The audit team has identified one functional finding. While this finding is not a compliance finding, we feel it is significant enough to be addressed within this audit:

1. The FEOC is no longer a designated CTSA, and is therefore no longer considered a TDA claimant or transit operator under the TDA.



In completing this Triennial Performance Audit, we submit the following recommendations for the Fresno Economic Opportunities Commission’s public transit program. They have been divided into two categories: TDA Program compliance recommendations and functional recommendations. TDA program compliance recommendations are intended to assist in bringing the operator into compliance with the requirements and standards of the TDA, while Functional Recommendations address issues identified during the triennial audit that are not specific to TDA compliance.

Exhibit 1.1 Summary of Audit Recommendations

Functional Recommendations		Importance	Timeline
1	With respect to TDA, FEOC should now be considered as a contractor to FAX and FCRTA rather than as a transit operator.	High	FY 2024/25

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## Chapter 2 | Audit Scope and Methodology

The Triennial Performance Audit (TPA) of the Fresno Economic Opportunities Commission's public transit program covers the three-year period ending June 30, 2024. The California Public Utilities Code requires all recipients of Transit Development Act (TDA) funding to complete an independent review on a three-year cycle in order to maintain funding eligibility.

In 2024, the Fresno Council of Governments selected Moore & Associates, Inc., to prepare Triennial Performance Audits of itself as the RTPA and the four transit operators to which it allocates TDA funding. Moore & Associates is a consulting firm specializing in public transportation, including audits of non-TDA Article 4 recipients. Selection of Moore & Associates, Inc. followed a competitive procurement process.

The Triennial Performance Audit is designed to be an independent and objective evaluation of the Fresno Economic Opportunities Commission as a public transit operator. Direct benefits of a Triennial Performance Audit include providing operator management with information on the economy, efficiency, and effectiveness of its programs across the prior three years; helpful insight for use in future planning; and assuring legislative and governing bodies (as well as the public) that resources are being economically and efficiently utilized. Finally, the Triennial Performance Audit fulfills the requirement of PUC Section 99246(a) that the RTPA designate an entity other than itself to conduct a performance audit of the activities of each operator to whom it allocates funds.

This performance audit was conducted in accordance with generally accepted government auditing standards. Those standards require that the audit team plans and performs the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for its findings and conclusions based on the audit objectives. The auditors believe the evidence obtained provides a reasonable basis for our findings and conclusions.

The audit was also conducted in accordance with the processes established by the California Department of Transportation (Caltrans), as outlined in the *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities*, as well as *Government Auditing Standards* published by the U.S. Comptroller General.

### Objectives

A Triennial Performance Audit (TPA) has four primary objectives:

1. Assess compliance with TDA regulations;
2. Review improvements subsequently implemented as well as progress toward adopted goals;
3. Evaluate the efficiency and effectiveness of the transit operator; and
4. Provide sound, constructive recommendations for improving the efficiency and functionality of the transit operator.

## Scope

The TPA is a systematic review of performance evaluating the efficiency, economy, and effectiveness of the transit operator. The audit of the Fresno Economic Opportunities Commission included five tasks:

1. A review of compliance with TDA requirements and regulations.
2. A review of the status of recommendations included in the prior Triennial Performance Audit.
3. A verification of the methodology for calculating performance indicators including the following activities:
  - Assessment of internal controls,
  - Test of data collection methods,
  - Calculation of performance indicators, and
  - Evaluation of performance.
4. Comparison of data reporting practices:
  - Internal reports,
  - State Controller Reports, and
  - National Transit Database.
5. Examination of the following functions:
  - General management and organization;
  - Service planning;
  - Scheduling, dispatching, and operations;
  - Personnel management and training;
  - Administration;
  - Marketing and public information; and
  - Fleet maintenance.
6. Conclusions and recommendations to address opportunities for improvement based upon analysis of the information collected and the audit of the transit operator's major functions.

## Methodology

The methodology for the Triennial Performance Audit of the Fresno Economic Opportunities Commission included thorough review of documents relevant to the scope of the audit, as well as information contained on the Fresno Economic Opportunities Commission's website. The documents reviewed included the following (spanning the full three-year period):

- Monthly performance reports;
- State Controller Reports;
- Annual budgets;
- TDA fiscal audits;
- Transit marketing collateral;
- TDA claims;
- Fleet inventory;
- Preventive maintenance schedules and forms;
- California Highway Patrol Terminal Inspection reports;

- Accident/road call logs; and
- Organizational chart.

The methodology for this audit included a virtual site visit with Fresno Economic Opportunities Commission representatives on February 18, 2025. The audit team met with Thomas Dulin (Transit Systems Director), Jerry Moreno (Finance Manager), and Adam Tsudama (Operations Manager) and reviewed materials germane to the triennial audit.

This report is comprised of eight chapters divided into three sections:

1. Executive Summary: A summary of the key findings and recommendations developed during the Triennial Performance Audit process.
2. TPA Scope and Methodology: Methodology of the review and pertinent background information.
3. TPA Results: In-depth discussion of findings surrounding each of the subsequent elements of the audit:
  - Compliance with statutory and regulatory requirements,
  - Status of prior recommendations,
  - Consistency among reported data,
  - Performance measures and trends,
  - Functional audit, and
  - Findings and recommendations.

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## Chapter 3 | Program Compliance

This section examines the Fresno Economic Opportunities Commission's compliance with the Transportation Development Act as well as relevant sections of the California Code of Regulations. An annual certified fiscal audit confirms TDA funds were apportioned in conformance with applicable laws, rules, and regulations. The Fresno Economic Opportunities Commission considers full use of funds under California Code of Regulations (CCR) 6754(a) as referring to operating funds but not capital funds. The TPA findings and related comments are delineated in Exhibit 3.1.

Status of compliance items was determined through discussions with Fresno Economic Opportunities Commission staff as well as an inspection of relevant documents including the fiscal audits for each year of the triennium, State Controller annual filings, California Highway Patrol terminal inspections, year-end performance reports, and other compliance-related documentation.

No compliance items were identified for the Fresno Economic Opportunities Commission.

### Developments Occurring During the Audit Period

For many operators, the FY 2021/22 – FY 2023/24 audit period reflected both the acute impacts of and recovery from the COVID-19 pandemic. By the end of the audit period – even earlier in some cases – most operators had exhausted federal relief funds, even though penalties for non-compliance with farebox recovery ratios continued to be waived. Many operators, even more than five years after the onset of the pandemic, still struggle with ridership that has yet to recover to pre-pandemic levels.

Given this is not the first Triennial Performance Audit to be conducted since the COVID-19 pandemic, this report will not focus on actions taken as a result of the health crisis. Instead, the compliance review, functional review, and resulting recommendations will focus on ensuring program sustainability once penalty waivers and other emergency legislation have ended.

Assembly Bill 90, signed into law on June 29, 2020, provided temporary regulatory relief for transit operators required to conform with Transportation Development Act (TDA) farebox recovery ratio thresholds in FY 2019/20 and FY 2020/21. Assembly Bill 149, signed into law on July 16, 2021, provided additional regulatory relief by extending the provisions of AB 90 through FY 2022/23 and adjusting definitions of eligible revenues and operating costs. Most recently, Senate Bill 125, signed into law on July 10, 2023, extended protections provided via earlier legislation through FY 2025/26. While this means the audit period covered by this audit is fully exempt from penalties for non-compliance with the farebox recovery ratio, for example, it also means that transit operators will likely need to be in compliance by the last year of the next audit period.

While the ability to maintain state mandates and performance measures is important, these measures enable transit operators to adjust to the impacts of COVID while continuing to receive their full allocations of funding under the TDA.

Together, these three pieces of legislation include the following provisions specific to transit operator TDA funding under Article 4 and Article 8:

1. Prohibits the imposition of the TDA revenue penalty on an operator that did not maintain the required ratio of fare revenues to operating cost from FY 2019/20 through FY 2025/26.
2. Expands the definition of “local funds” to enable the use of federal funding to supplement fare revenues and allows operators to calculate free and reduced fares at their actual value.
3. Adjusts the definition of operating cost to exclude the cost of ADA paratransit services, demand-response and microtransit services designed to extend access to service, ticketing/payment systems, security, some pension costs, and some planning costs.
4. Allows operators to use STA funds as needed to keep transit service levels from being reduced or eliminated through FY 2025/26.

SB 125 calls for the establishment of the Transit Transformation Task Force to develop policy recommendations to grow transit ridership and improve the transit experience for all users. In the 50-plus years since introduction of the Transportation Development Act, there have been many changes to public transportation in California. Many operators have faced significant challenges in meeting the farebox recovery ratio requirement, calling into question whether it remains the best measure for TDA compliance. In 2018, the chairs of California’s state legislative transportation committees requested the California Transit Association spearhead a policy task force to examine the TDA, which resulted in a draft framework for TDA reform released in early 2020. The Transit Transformation Task Force is required to submit a report of its findings and policy recommendations to the State Legislature by October 31, 2025. This report is expected to include recommendations for TDA reform, which may impact the next Triennial Performance Audit period.



Exhibit 3.1 Transit Development Act Compliance Requirements

Compliance Element	Reference	Compliance	Comments
State Controller Reports submitted on time.	PUC 99243	In compliance	FY 2021/22: January 26, 2023 FY 2022/23: January 31, 2024 FY 2023/24: January 29, 2025
Fiscal and compliance audits submitted within 180 days following the end of the fiscal year (or with up to 90-day extension).	PUC 99245; PUC 99276	Not applicable	Since FEOC is a contracted provider, not a TDA claimant, there is no requirement for it to submit a fiscal audit under PUC 99276.
Operator's terminal rated as satisfactory by CHP within the 13 months prior to each TDA claim.	PUC 99251 B	In compliance	January 12, 2021 January 9, 2022 (Unsatisfactory) April 22, 2022 May 30, 2023 May 30, 2024
Operator's claim for TDA funds submitted in compliance with rules and regulations adopted by the RTPA.	PUC 99261	Not applicable	FEOC is no longer a TDA recipient and does not submit claims for TDA funding to Fresno COG.
If operator serves urbanized and non-urbanized areas, it has maintained a ratio of fare revenues to operating costs at least equal to the ratio determined by the rules and regulations adopted by the RTPA.	PUC 99270.1	Not applicable	
Except as otherwise provided, the allocation for any purpose specified under Article 8 may in no year exceed 50% of the amount required to meet the total planning expenditures for that purpose.	PUC 99405	Not applicable	FEOC does not claim Article 8 funds.
An operator receiving allocations under Article 8(c) may be subject to regional, countywide, or subarea performance criteria, local match requirements, or fare recovery ratios adopted by resolution of the RTPA.	PUC 99405	Not applicable	FEOC does not claim Article 8 funds.
The operator's definitions of performance measures are consistent with the Public Utilities Code Section 99247.	PUC 99247	In compliance	
The operator does not routinely staff with two or more persons a vehicle for public transportation purposes designed to be operated by one person.	PUC 99264	In compliance	
The operator's operating budget has not increased by more than 15% over the preceding year, nor is there a substantial increase or decrease in the scope of operations or capital budget provisions for major new fixed facilities unless the operator has reasonably supported and substantiated the change(s).	PUC 99266	Not applicable	As the CTSA contractor for FAX and FCRTA, FEOC is not required to justify its budget as it does not submit a TDA claim. FEOC may need to submit justification for a budget increase to FAX or FCRTA for use in their TDA claims, but it is not a compliance issue to be assessed here.

Compliance Element	Reference	Compliance	Comments
If the operator serves an urbanized area, it has maintained a ratio of fare revenues to operating cost at least equal to one-fifth (20 percent).	PUC 99268.2, 99268.4, 99268.1	Not applicable	
If the operator serves a rural area, it has maintained a ratio of fare revenues to operating cost at least equal to one-tenth (10 percent).	PUC 99268.2, 99268.4, 99268.5	Not applicable	
For a claimant that provides only services to elderly and handicapped persons, the ratio of fare revenues to operating cost shall be at least 10 percent.	PUC 99268.5, CCR 6633.5	In compliance	Historically, Fresno COG's policy for FEOC as the CTSA is to maintain a 45/55 ratio of LTF to local support revenues.  FY 2021/22: 62.97% FY 2022/23: 60.80% FY 2023/24: 72.71%  Source: State Controller Reports FY 2022 – FY 2024. As FEOC is no longer the CTSA, use of this metric should be re-evaluated and assessed against FAX and FCRTA.
The current cost of the operator's retirement system is fully funded with respect to the officers and employees of its public transportation system, or the operator is implementing a plan approved by the RTPA, which will fully fund the retirement system for 40 years.	PUC 99271	Not applicable	As a contractor to FAX and FCRTA, this requirement does not apply. However, FEOC is in compliance per its attestation on claim forms provided to FAX as part of its TDA claims process.
If the operator receives State Transit Assistance funds, the operator makes full use of funds available to it under the Urban Mass Transportation Act of 1964 before TDA claims are granted.	CCR 6754 (a) (3)	Not applicable	FEOC does not claim STA or federal transit funds.
In order to use State Transit Assistance funds for operating assistance, the operator's total operating cost per revenue hour does not exceed the sum of the preceding year's total plus an amount equal to the product of the percentage change in the CPI for the same period multiplied by the preceding year's total operating cost per revenue hour. An operator may qualify based on the preceding year's operating cost per revenue hour or the average of the three prior years. If an operator does not meet these qualifying tests, the operator may only use STA funds for operating purposes according to a sliding scale.	PUC 99314.6	Not applicable	FEOC does not claim STA funds.

Compliance Element	Reference	Compliance	Comments
A transit claimant is precluded from receiving monies from the Local Transportation Fund and the State Transit Assistance Fund in an amount which exceeds the claimant's capital and operating costs less the actual amount of fares received, the amount of local support required to meet the fare ratio, the amount of federal operating assistance, and the amount received during the year from a city or county to which the operator has provided services beyond its boundaries.	CCR 6634	Not applicable	FEOC does not claim STA funds.

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## Chapter 4 | Prior Recommendations

This section reviews and evaluates the implementation of prior Triennial Performance Audit recommendations. This objective assessment provides assurance the Fresno Economic Opportunities Commission has made quantifiable progress toward improving both the efficiency and effectiveness of its public transit program.

The prior audit – completed in May 2022 by Moore & Associates, Inc. for the three fiscal years ending June 30, 2021 – included four recommendations:

1. [Ensure data for the State Controller Reports is provided in a timely manner.](#)

**Discussion:** In FY 2019/20, the State Controller Report was submitted on February 25, 2021, nearly one month after the January 31, 2021 deadline. The report was submitted on time the following year.

In future years, it is expected the FEOC will no longer be responsible for submitting a State Controller Report due to it no longer being designated as a CTSAs. Therefore, the auditor recommended it will be the FEOC's responsibility to provide operating data to the City of Fresno and the FCRTA for inclusion within those State Controller Reports.

**Progress:** The FEOC continues to submit its own State Controller Reports. All reports submitted during the audit period were submitted within the designated timeframe.

**Status:** Implemented.

2. [Work with TDA auditors to ensure the TDA fiscal audit can be completed no later than March 31.](#)

**Discussion:** In FY 2020/21, FEOC's TDA fiscal audit had not been completed by the time this audit was finalized (April 28, 2022). FEOC began using a new auditing firm that year and was impacted by several delays. At the time of the prior audit, the TDA audit was expected to be completed around September 2022.

The auditor recommended the City work with TDA auditors to ensure the TDA fiscal audit can be completed no later than March 31.

**Progress:** Transit Systems hired a dedicated Finance Manager to oversee the audit process. The FY 2021/22 TDA fiscal audits were completed on June 30, 2023, three months after the March 31 deadline. The audit provided for 2023 was for calendar year 2023 and did not reflect its prior TDA fiscal audits. No audit was provided for 2024. It was unclear as to whether FEOC is still conducting TDA fiscal audits or if it is no longer doing so since it is not a direct TDA claimant. Per PUC 99276, the claimant of Article 4.5 funds is required to submit an annual fiscal audit, but this requirement is not extended to contracted service providers.

**Status:** No longer relevant.

3. Ensure data is cited as accurately as possible on all reporting documents.

**Discussion:** While there was no indication that any incorrect definitions were being used, there were some inconsistencies between data recorded internally and reported in the Transit Productivity Report and that reported to the State Controller. VSH was somewhat inconsistently reported in FY 2018/19, with a variance of approximately eight percent. However, in FY 2020/21, ridership documented in the Transit Productivity Report was four times that reported to the State Controller. What was reported (10,854) was more consistent with VSH for just the Rural CTSA (12,021) than for both Urban and Rural combined (44,017). It is also possible that was a transcription error, as this figure is also largely consistent with the subtotal for Low-Income/Social Service Programs subtotal, which is shown in the line above the Urban Passenger Total in the FY 2021/22 OPB.

Data reported to the State Controller should be verified against that detailed in the TDA fiscal audit and the Transit Productivity Report, taking into account variances due to reporting requirements. Special attention should be given to performance data, including revenue miles, revenue hours, and ridership, since these metrics are less likely to differ between the two reports.

**Progress:** Data inconsistencies continued to be observed during this audit period. However, this is likely more a reflection of what data is being reported on a given report than an indication of data inaccuracies. In addition, FEOC has begun using tablets onboard its vehicles to more accurately document service hour and miles and on-time performance.

**Status:** Implementation in progress.

4. Work with the TDA fiscal auditors and the Fresno COG to ensure a detailed summary of farebox revenue ratios is included in each subsequent TDA fiscal audit.

**Discussion:** This recommendation was carried forward from two audit cycles prior. In the TDA fiscal audits for all three years included within the prior audit period, the TDA fiscal audits included a statement of the revenue ratios. However, they simply provided the percentage of “ratio of fare revenues to operating costs” and “ratio of local support revenues to operating cost minus exclusions.” None of the audits provided any of the data that was used to calculate these ratios.

The TDA fiscal audit should include a detailed summary of what line items are included in this calculation. In addition, it should identify whether meal delivery costs and revenues are being included in the calculation, as well as whether those funds should be included. This recommendation applies to future TDA fiscal audits, whether specific to the FEOC or included within the audits of the City of Fresno and the FCRTA.

**Progress:** This issue continued to be observed in the one TDA fiscal audit provided as part of this audit. However, as discussed under Recommendation 2 above, the requirement to show the farebox recovery ratio or local supplementation calculation is now the responsibility of FAX and

FCRTA, as the CTSA claimants. Since FEOC is no longer a TDA claimant, it no longer has the responsibility to provide this information via a fiscal audit.

**Status:** No longer relevant.

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## Chapter 5 | Data Reporting Analysis

An important aspect of the Triennial Performance Audit process is assessing how effectively and consistently the transit operator reports performance statistics to local, state, and federal agencies. Often as a condition of receipt of funding, an operator must collect, manage, and report data to different entities. Ensuring such data are consistent can be challenging given the differing definitions employed by different agencies as well as the varying reporting timeframes. This chapter examines the consistency of performance data reported by the Fresno Economic Opportunities Commission, both internally as well as to outside entities during the audit period.

Data comparison for the FEOC is challenging due to the other (non-CTSA) services it provides. As such, there are discrepancies in the data provided as part of this audit. The operating cost shown in the Transit Productivity Evaluation (prepared for Fresno COG) is significantly lower than the amount reported to the State Controller. For fare revenue, in an effort to utilize comparable data for comparison, we looked at the revenue cited in the Transit Productivity Evaluation less TDA Article 4.5 funds and the total operating revenue cited in the State Controller Reports (TDA Article 4.5 funding is reported as non-operating revenue). These figures remain significantly different, likely for the reason cited above.

For operating data, FY 2021/22 was the most consistent, though the number of hours reported to the State Controller was significantly lower. In FY 2022/23 and FY 2023/24, the monthly performance reports and Transit Productivity Evaluation were largely consistent, yet different from the State Controller Report. This is because in those years the State Controller Report only reflected the service provided by FEOC and not any of its subcontractors, while the Transit Productivity Evaluation included all service provided using LTF funds.

With respect to full-time equivalent (FTE) employees, it is still the FEOC's responsibility to make sure it is using the TDA definition for State Controller reporting. Should the CTSA service be included in FAX's or FCRTA's State Controller Reports in the future, it will be the responsibility of FEOC to provide them with FTE data reflective of the TDA definition.

Exhibit 5.1 Data Reporting Comparison

Performance Measure	System-Wide		
	FY 2021/22	FY 2022/23	FY 2023/24
<b>Operating Cost (Actual \$)</b>			
<i>TDA fiscal audit</i>	\$5,705,973		
<i>Transit Productivity Evaluation</i>	\$4,941,418	\$6,843,645	\$6,985,400
<i>State Controller Report</i>	\$8,825,009	\$12,250,502	\$11,499,522
<b>Fare Revenue (Actual \$)</b>			
<i>TDA fiscal audit</i>	\$2,221,651		
<i>Transit Productivity Evaluation</i>	\$2,586,766	\$4,109,619	\$4,145,941
<i>State Controller Report</i>	\$7,448,873	\$5,557,346	\$7,222,548
<b>Vehicle Service Hours (VSH)</b>			
<i>Monthly Performance Reports</i>	74,390	73,957	77,589
<i>Transit Productivity Evaluation</i>	71,465	73,957	77,590
<i>State Controller Report</i>	45,013	66,148	39,933
<b>Vehicle Service Miles (VSM)</b>			
<i>Monthly Performance Reports</i>	1,181,629	1,454,426	1,239,154
<i>Transit Productivity Evaluation</i>	1,181,629	1,454,426	1,239,154
<i>State Controller Report</i>	1,181,629	1,011,389	597,702
<b>Passengers</b>			
<i>Monthly Performance Reports</i>	212,913	196,931	210,774
<i>Transit Productivity Evaluation</i>	212,913	196,931	210,774
<i>State Controller Report</i>	212,913	235,775	183,578
<b>Full-Time Equivalent Employees</b>			
<i>State Controller Report</i>	105	117	110
<i>Per FEOC methodology</i>	88	101	116

## Chapter 6 | Performance Analysis

Performance indicators are typically employed to quantify and assess the efficiency of a transit operator's activities. Such indicators provide insight into current operations as well as trend analysis of operator performance. Through a review of indicators, relative performance as well as possible inter-relationships between major functions is revealed.

The Transportation Development Act (TDA) requires recipients of TDA funding to track and report five performance indicators:

- Operating Cost/Passenger,
- Operating Cost/Vehicle Service Hour,
- Passengers/Vehicle Service Hour,
- Passengers/Vehicle Service Mile, and
- Vehicle Service Hours/Employee.

To assess the validity and use of performance indicators, the audit team performed the following activities:

- Assessed internal controls in place for the collection of performance-related information,
- Validated collection methods of key data,
- Calculated performance indicators, and
- Evaluated performance indicators.

The procedures used to calculate TDA-required performance measures for the current triennium were verified and compared with indicators included in similar reports to external entities (i.e., State Controller and Federal Transit Administration).

### Operating Cost

The Transportation Development Act requires an operator to track and report transit-related costs reflective of the Uniform System of Accounts and Records developed by the State Controller and the California Department of Transportation. The most common method for ensuring this occurs is through a compliance audit report prepared by an independent auditor in accordance with California Code of Regulations Section 6667<sup>1</sup>. The annual independent financial audit should confirm the use of the Uniform System of Accounts and Records. *Operating cost* – as defined by PUC Section 99247(a) – excluded the following during the audit period<sup>2</sup>:

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<sup>1</sup> CCR Section 6667 outlines the minimum tasks which must be performed by an independent auditor in conducting the annual fiscal and compliance audit of the transit operator.

<sup>2</sup> Given the passage of AB 149, the list of excluded costs will be expanded beginning with FY 2021/22.

- Cost in the depreciation and amortization expense object class adopted by the State Controller pursuant to PUC Section 99243,
- Subsidies for commuter rail services operated under the jurisdiction of the Interstate Commerce Commission,
- Direct costs of providing charter service, and
- Vehicle lease costs.

#### Vehicle Service Hours and Miles

*Vehicle Service Hours* (VSH) and *Miles* (VSM) are defined as the time/distance during which a revenue vehicle is available to carry fare-paying passengers, and which includes only those times/miles between the time or scheduled time of the first passenger pickup and the time or scheduled time of the last passenger drop-off during a period of the vehicle's continuous availability.<sup>3</sup> For example, demand-response service hours include those hours when a vehicle has dropped off a passenger and is traveling to pick up another passenger, but not those hours when the vehicle is unavailable for service due to driver breaks or lunch. For both demand-response and fixed-route services, service hours will exclude hours of "deadhead" travel to the first scheduled pick-up, and will also exclude hours of "deadhead" travel from the last scheduled drop-off back to the terminal. For fixed-route service, a vehicle is in service from first scheduled stop to last scheduled stop, whether or not passengers board or exit at those points (i.e., subtracting driver lunch and breaks but including scheduled layovers).

#### Passenger Counts

According to the Transportation Development Act, *total passengers* is equal to the total number of unlinked trips (i.e., those trips that are made by a passenger that involve a single boarding and departure), whether revenue-producing or not.

#### Employees

*Employee hours* is defined as the total number of hours (regular or overtime) which all employees have worked, and for which they have been paid a wage or salary. The hours must include transportation system-related hours worked by persons employed in connection with the system (whether or not the person is employed directly by the operator). Full-Time Equivalent (FTE) is calculated by dividing the number of person-hours by 2,000.

#### Fare Revenue

*Fare revenue* is defined by California Code of Regulations Section 6611.2 as revenue collected from the farebox plus sales of fare media.

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<sup>3</sup> A vehicle is considered to be in revenue service despite a no-show or late cancellation if the vehicle remains available for passenger use.

### TDA Required Indicators

To calculate the TDA indicators for the Fresno Economic Opportunities Commission, the following sources were employed:

- Operating Cost was not independently calculated as part of this audit. Operating Cost data were obtained via State Controller Reports for each fiscal year covered by this audit. Operating Cost from the reports was compared against that reported in the FEOC's audited financial reports and appeared to be consistent with TDA guidelines. In accordance with PUC Section 99247(a), the reported costs excluded depreciation and other allowable expenses.
- Fare Revenue was not independently calculated as part of this audit. The FEOC does not collect fares directly from passengers. Instead, this analysis cites operating revenues detailed on the State Controller Reports for each fiscal year covered by this audit. This appears to be consistent with TDA guidelines as well as the uniform system of accounts.
- Vehicle Service Hours (VSH) data were obtained via Transit Productivity Evaluations for each fiscal year covered by this audit. The FEOC logs times in and out of service. This calculation methodology is consistent with PUC guidelines.
- Vehicle Service Miles (VSM) data were obtained via Transit Productivity Evaluations for each fiscal year covered by this audit. The FEOC logs odometer readings in and out of service. This methodology is consistent with PUC guidelines.
- Unlinked trip data were obtained via Transit Productivity Evaluations for each fiscal year covered by this audit. Ridership is calculated based on driver trip manifests. The FEOC's calculation methodology is consistent with PUC guidelines.
- Full-Time Equivalent (FTE) data were obtained from State Controller Reports for each fiscal year covered by this review. Use of the TDA definition regarding FTE calculation was confirmed, though what was reported to the State Controller was not always consistent with the TDA calculation.

### System Performance Trends

*[For this analysis, rather than utilizing revenues classified as fare revenues in the State Controller Report, we are utilizing all operating revenues, which exclude TDA Article 4.5 funding. This data has been updated for the prior audit period as well so as to provide a fair comparison.]*

System-wide, operating cost experienced a net 30.3 percent increase between FY 2021/22 and FY 2023/24. This is attributed to a 174.9 percent increase in FY 2021/22. Operating revenue (noted as fare revenue in the subsequent charts) fluctuated, but ultimately experienced a net 77.3 percent increase over the six-year period and a 3.0 percent net decrease during the audit period.

Vehicle Service Hours (VSH) decreased during the prior audit period but increased during the current audit period. VSH experienced an 8.6 percent net increase during the audit period and a 16.7 percent increase since FY 2018/19. Vehicle service miles (VSM) experienced declines in several years, resulting in a 4.9 percent net increase during the audit period and an 8.4 percent net increase across the six-year period.

Ridership saw a significant decline at the end of the prior audit period due to the COVID-19 pandemic. It increased over 300 percent in FY 2021/22 as programs resumed operation. Ultimately ridership

experienced a net 38.6 percent decrease across the six-year period, and a 1.0 percent decrease during the audit period.

Cost-related metrics typically provide an indicator of a system's efficiency, while passenger-related metrics offer insight into its productivity. Improvements are characterized by increases in passenger-related metrics and decreases in cost-related metrics. Operating cost per vehicle service hour, vehicle service mile, and passenger all increased significantly during the audit period, reflective of a decline in efficiency. Passengers per VSH declined by 8.8 percent, while passengers per VSM decreased by 5.6 percent.

Exhibit 6.1 System Performance Indicators

Performance Measure	System-wide					
	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
<b>Operating Cost (Actual \$)</b>	\$6,815,878	\$5,579,150	\$3,209,684	\$8,825,009	\$12,250,502	\$11,499,522
Annual Change		-18.1%	-42.5%	174.9%	38.8%	-6.1%
<b>Fare Revenue (Actual \$)</b>	\$4,073,184	\$4,499,528	\$3,219,723	\$7,448,873	\$5,557,346	\$7,222,548
Annual Change		10.5%	-28.4%	131.4%	-25.4%	30.0%
<b>Vehicle Service Hours (VSH)</b>	66,476	60,643	10,854	71,465	73,957	77,590
Annual Change		-8.8%	-82.1%	558.4%	3.5%	4.9%
<b>Vehicle Service Miles (VSM)</b>	1,142,977	891,359	394,478	1,181,629	1,454,426	1,239,154
Annual Change		-22.0%	-55.7%	199.5%	23.1%	-14.8%
<b>Passengers</b>	343,524	234,949	51,360	212,913	196,931	210,774
Annual Change		-31.6%	-78.1%	314.6%	-7.5%	7.0%
<b>Employees</b>	68	111	89	88	101	116
Annual Change		63.2%	-19.8%	-1.1%	14.8%	14.9%
<b>Performance Indicators</b>						
<b>Operating Cost/VSH (Actual \$)</b>	\$102.53	\$92.00	\$295.71	\$123.49	\$165.64	\$148.21
Annual Change		-10.3%	221.4%	-58.2%	34.1%	-10.5%
<b>Operating Cost/Passenger (Actual \$)</b>	\$19.84	\$23.75	\$62.49	\$41.45	\$62.21	\$54.56
Annual Change		19.7%	163.2%	-33.7%	50.1%	-12.3%
<b>Passengers/VSH</b>	5.17	3.87	4.73	2.98	2.66	2.72
Annual Change		-25.0%	22.1%	-37.0%	-10.6%	2.0%
<b>Passengers/VSM</b>	0.30	0.26	0.13	0.18	0.14	0.17
Annual Change		-12.3%	-50.6%	38.4%	-24.9%	25.6%
<b>Farebox Recovery</b>	59.8%	80.6%	100.3%	84.4%	45.4%	62.8%
Annual Change		35.0%	24.4%	-15.9%	-46.3%	38.5%
<b>Hours/Employee</b>	977.6	546.3	122.0	812.1	732.2	668.9
Annual Change		-44.1%	-77.7%	565.9%	-9.8%	-8.7%
<b>TDA Non-Required Indicators</b>						
<b>Operating Cost/VSM</b>	\$5.96	\$6.26	\$8.14	\$7.47	\$8.42	\$9.28
Annual Change		5.0%	30.0%	-8.2%	12.8%	10.2%
<b>VSM/VSH</b>	17.19	14.70	36.34	16.53	19.67	15.97
Annual Change		-14.5%	147.3%	-54.5%	18.9%	-18.8%
<b>Fare/Passenger</b>	\$11.86	\$19.15	\$62.69	\$34.99	\$28.22	\$34.27
Annual Change		61.5%	227.3%	-44.2%	-19.3%	21.4%

Sources: FY 2018/19 – FY 2020/21 data taken from prior Triennial Performance Audit. For consistency, fare revenue was adjusted to reflect all operating revenues rather than only those revenues categorized as passenger fares.

FY 2021/22 – FY 2023/24 financial data taken from State Controller reports.

FY 2021/22 – FY 2023/24 operating data taken from Transit Productivity Evaluations.

FY 2021/22 – FY 2023/24 full-time equivalent (FTE) employee data provided by FEOC.

Exhibit 6.2 System Ridership

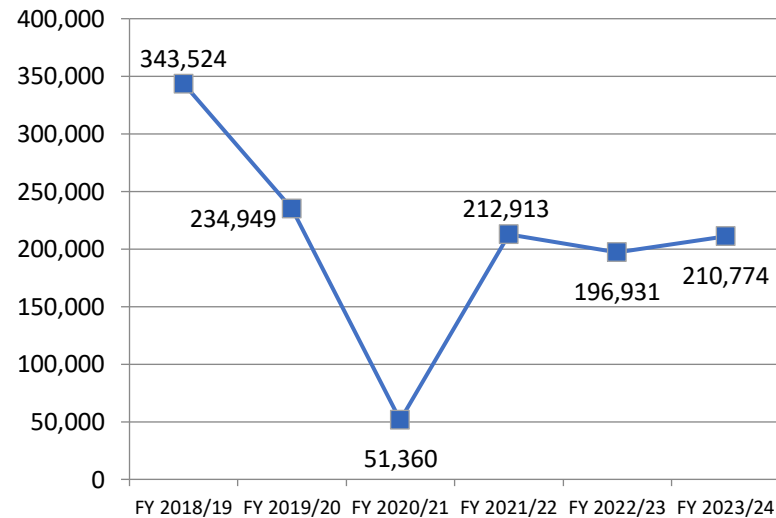


Exhibit 6.3 System Operating Cost/VSH

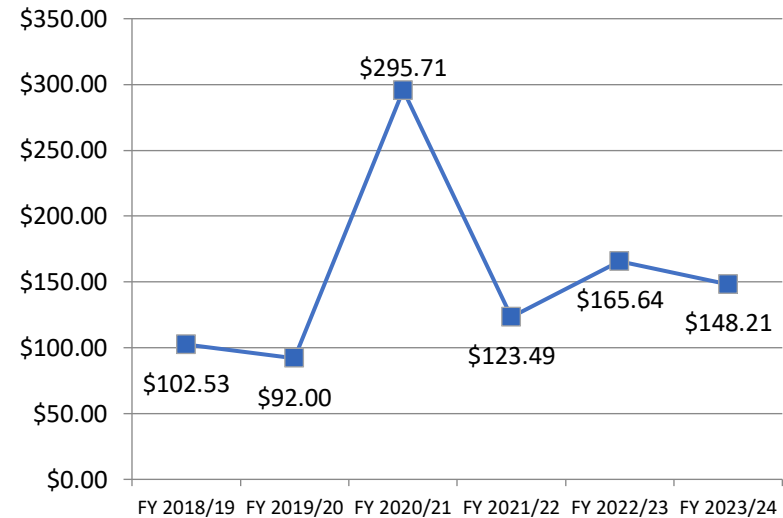


Exhibit 6.4 System Operating Cost/VSM

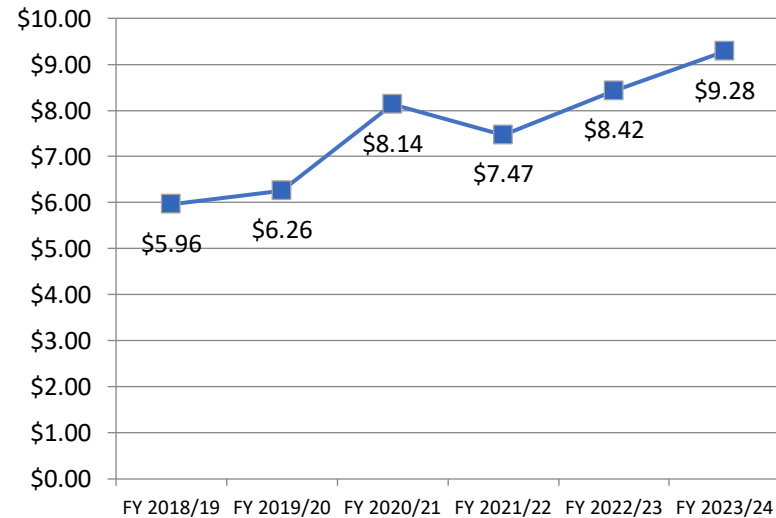


Exhibit 6.5 System VSM/VSH

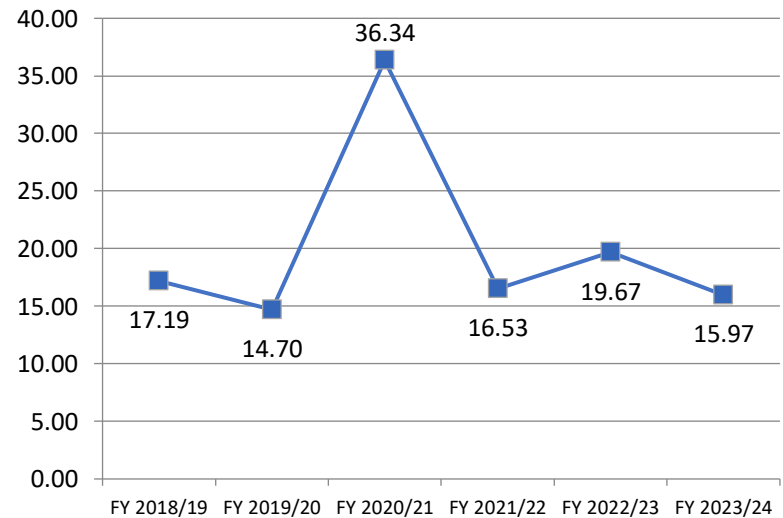


Exhibit 6.6 System Operating Cost/Passenger

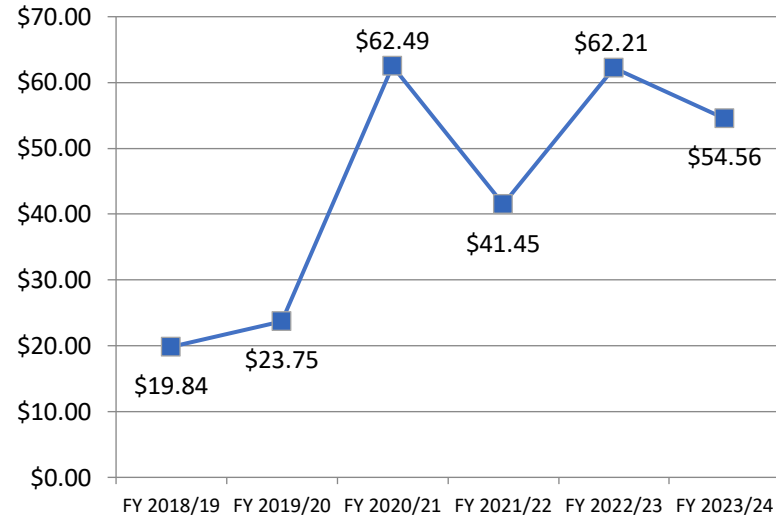


Exhibit 6.7 System Passengers/VSH

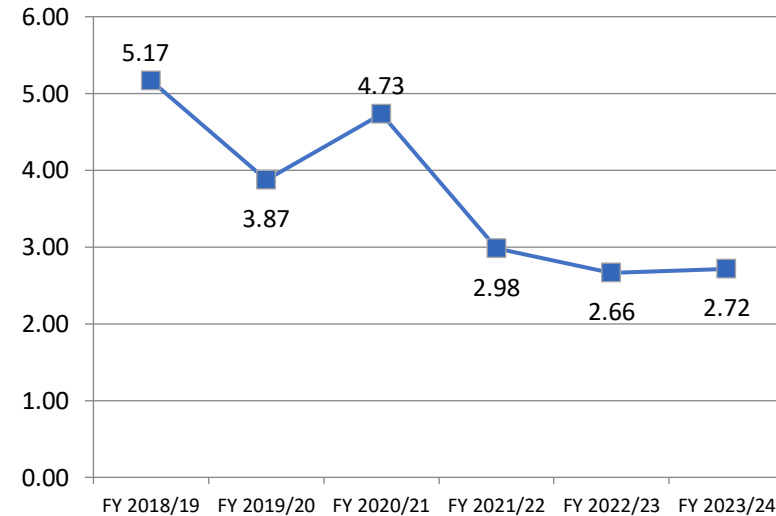


Exhibit 6.8 System Passengers/VSM

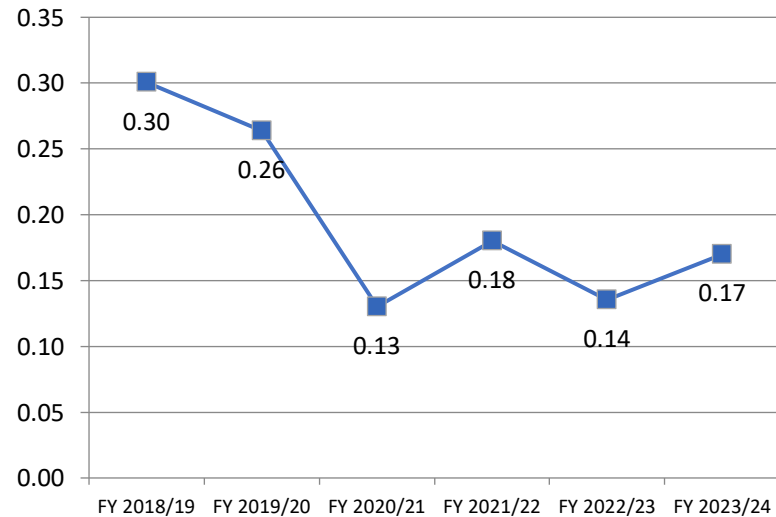


Exhibit 6.9 System VSH/FTE

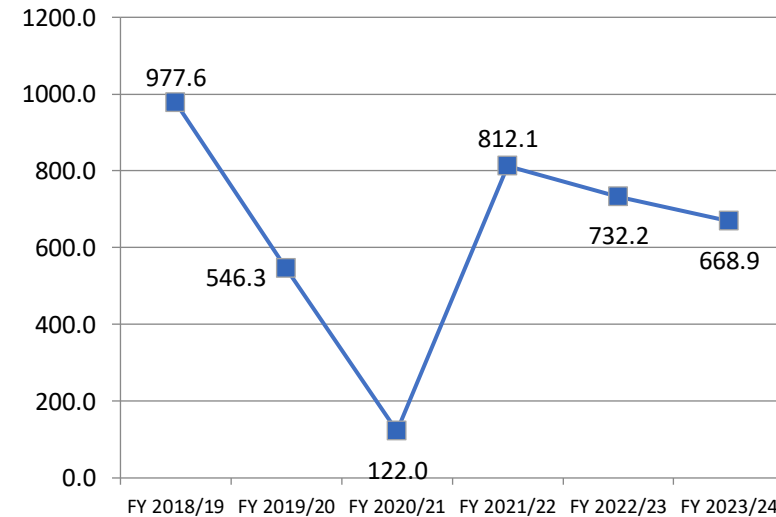




Exhibit 6.10 System Farebox Recovery

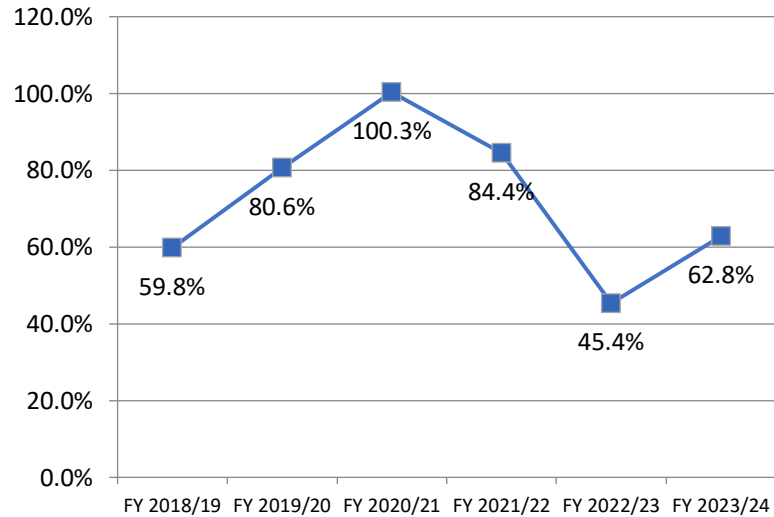
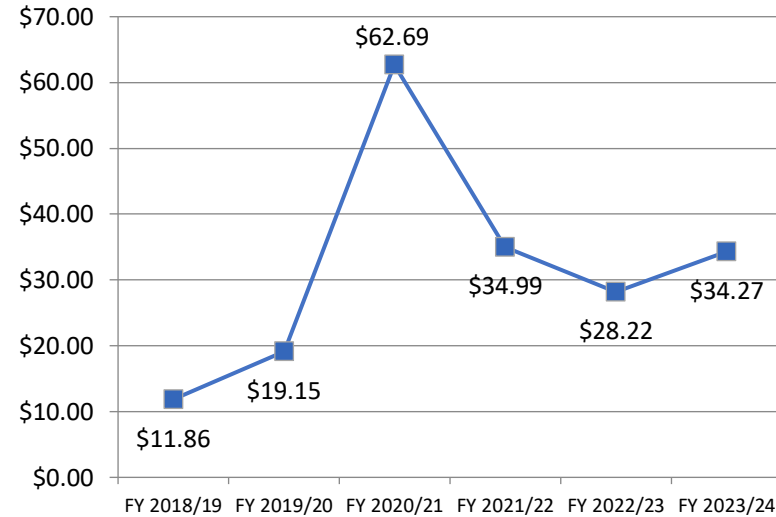


Exhibit 6.11 System Fare/Passenger



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## Chapter 7 | Functional Review

A functional review of the Fresno Economic Opportunities Commission's public transit program is intended to assess the effectiveness and efficiency of the operator. Following a general summary of the FEOC's transit services, this chapter addresses seven functional areas. The list, taken from Section III of the *Performance Audit Guidebook* published by Caltrans, reflects those transit services provided by the Fresno Economic Opportunities Commission:

- General management and organization;
- Service planning;
- Scheduling, dispatch, and operations;
- Personnel management and training;
- Administration;
- Marketing and public information; and
- Maintenance.

### Service Overview

The Fresno County Economic Opportunities Commission (FEOC) had been the co-designated Consolidated Transportation Service Agency for both rural and urban portions of Fresno County since 1983. The FEOC provides a variety of transportation-related services for clients throughout the county, including client transportation, vehicle maintenance, and meal delivery. It does not operate as a traditional transit service, but instead contracts with organizational clients to provide services to members. While changes in 2020 resulted in the City of Fresno (FAX) and the Fresno County Rural Transit Agency (FCRTA) being named the sole designees for Urban and Rural CTSA, respectively, the FEOC continues to operate its CTSA services on behalf of these entities. These services include a paratransit service for individuals with specific needs and a fee-for-service transportation.

### General Management and Organization

During the prior audit period, the FEOC was the co-designated CTSA with the City of Fresno (FAX) in urban areas and with Fresno County Rural Transit Agency (FCRTA) in rural areas. In 2020, the Fresno Council of Governments re-designated the CSAs for Fresno County, and the City of Fresno and the FCRTA became the sole designated Urban and Rural CSAs, respectively. Beginning in FY 2021/22, FEOC was no longer a direct TDA recipient, but provided CSA operations under contract to the City of Fresno (Urban CSA) and the FCRTA (Rural CSA).

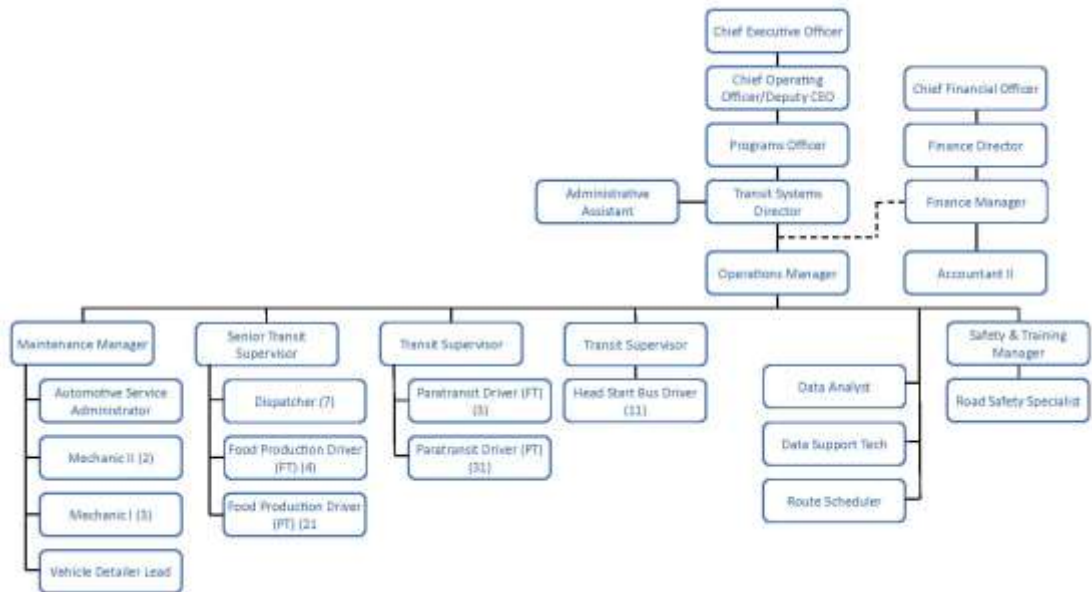
Program performance is monitored through driver performance, customer service quality, and on-time performance. Metrics are tracked using CTS Trip Master software.

Lines of reporting and managerial authority are clearly defined and effective. All positions are currently filled with the exception of the Training and Safety Manager. At the time of the site visit, FEOC had yet to post the position, with the Road Supervisor serving as the acting Training and Safety Manager for the transit program. FEOC is in the process of changing its Transit Supervisor III position to Training and Safety Supervisor.

Recent changes include the implementation of tablets on board the buses. The tablets expand data collection and data analysis of vehicle and driver performance. The FEOC is able to generate reports directly from the software, which saves time and eliminates the need for manual data entry. It ensures hours, mileage, and on-time performance are digitally tracked and can be reported with greater accuracy. The audit period also saw a change in leadership at FEOC, which had little to no impact on the Transit program.

The 24-member EOC board is the policy-making body. They have several committees, but none are focused on transportation. The Board has not expressed any specific concerns to the current Transit Systems Director. The Transit Systems Director attends Fresno COG meetings and is one of the CTSA representatives on the Social Services Transportation Advisory Council (SSTAC).

Exhibit 7.1 Organizational Chart



The FEOC has a good relationship with the RTPA as well as the two operators to which it provides CTSA services. The Transit Systems Director works well with FCRTA's General Manager. There have been some adjustments with the City of Fresno to ensure FEOC is providing information in the manner the City needs.

### Service Planning

The FEOC has established SMART-IE (inclusion and equity) goals and objectives that align with the organization's goals, and performance is measured daily. There are five such goals for 2025:

1. Safety,
2. Hiring,
3. Transition to zero-emission,
4. Increase maintenance department, and
5. Get out of a financial deficit by mid-year and be in the positive by the end of the year.

The FEOC prepares an annual Operation Planning Budget (OPB) under the direction of the Fresno Council of Governments and the City of Fresno. The FEOC also uses the Results Oriented Management and Accountability (ROMA) management tool to assess its organization. At the time of the site visit, there were three to four ROMA experts at FEOC, but all seemed to have a different way of applying the information.

The FEOC participates in the Community Needs Assessment (CNA). CNA activities are conducted in English and Spanish. The FEOC distribute surveys (via QR code) to home and community programs for feedback.

The transit program will begin construction on a three-acre solar farm and install 56 vehicle-to-grid charging stations. At peak production, the solar farm will be capable of producing three megawatt-hours (MWh). The vehicle-to-grid capability allows vehicle batteries to provide electricity back to the grid when needed. Completion is anticipated for end of 2026. FEOC is working with BYD regarding the design of a small school bus with the interior redesigned for paratransit. Once completed, FEOC intends to order the vehicles, which will open up BYD to the paratransit market.

### Administration

The Finance Manager handles budgeting by analyzing the prior year's and projected year's information. Any changes expected in the upcoming year are taken into consideration, including staff changes, price fluctuations, contract changes, and equipment purchases. An annual budget goes to the Board for approval. Budgeted and actual revenues and expenses are reviewed monthly and submitted to both the Transit Systems Director and the Director of Finance. Financial data is managed through Financial Edge NXT by Blackbaud. Financial reports are submitted to the FEOC board quarterly and upon request.

FEOC has a grants team that coordinates grant applications. FEOC would like to apply for all grants it is qualified to receive, but would like to develop a better understanding of transit funding sources and where to find appropriate grants. Sometimes Fresno COG will provide information about potential grants. The biggest challenge is that many of the grants are for public entities and FEOC is a private non-profit. The grants team is responsible for grants management while the Finance Manager is responsible for the budgeting of grant funds. Roles are clearly defined for each grant.

Risk management is handled by the Human Resources department, which has a procedure for processing accident and injury claims. Insurance is provided through Heffernan Insurance Brokers. Coverage levels are appropriate and meet individual contract requirements. Safety is reviewed regularly by FEOC's Workers Compensation and Safety role on an annual basis. Most policies require an annual review and update. FEOC does not have an emergency preparedness plan, but has a verbal agreement with the City of Fresno to provide transportation assistance if needed.

FEOC provides contracted transportation services to a number of different organizations (in addition to CTSA services contracted by FAX and FCRTA). These contracts include Arc of Central California, Central Valley Resource Center (CVRC), CALVETS, Fresno County Department of Behavioral Health, Fresno County Department of Social Services, CalWORKS, Fresno Unified School District, Head Start, Taxi Scrip, and United Cerebral Palsy. Each contract agreement has its own operational and reporting requirements, which are monitored through the Transit department.

Payroll is handled using ADP software. It occurs biweekly and most employees use direct deposit. Management approves timesheets before they are processed for payment. Employee records are stored

digitally in ADP. Any changes to the personnel and payroll data are handled by the Payroll Manager in Finance.

Accounts receivable is the responsibility of the Finance department. Accounts payable are first handled by the office assistant and then routed through COUPA (FEOC's digital invoicing software) for approval to the appropriate manager or the Transit Systems Director. Disbursements outside the accounts payable system require the approval of the Transit Systems Director. All invoices are screened and disputed if not accurate. Requisitions in the COUPA system require updates and full or partial receipts for each order. Items ordered outside the COUPA system are routed for signature from the requested, then backfilled into the COUPA system.

Procurements are managed by the agency's Procurement Director. Specific requirements regarding solicitation and documentation vary by the dollar amount being expensed. Any purchase over \$5,000 requires three cost quotations, while purchases over \$150,000 require a formal bid process. Policies and procedures regarding procurement are clearly defined in the Fresno EOC Accounting Policies and Procedures Manual.

The FEOC does have an internal audit function. The Internal Audit Office is responsible for developing a flexible, risk-based annual audit plan. Priority is given to higher-risk and higher-benefit projects, required audits, and Board requests. Transit was not subject to an internal audit during the audit period, but did have some inventory sampled and internal controls tested.

#### Marketing and Public Information

Given the nature of the FEOC's operation, marketing is conducted more to organizations than to individuals. The FEOC has a dedicated website that provides information regarding the services provided as well as links to other transit agencies. The FEOC maintains a very favorable perception among the public and its clients.

All calls are filtered through Dispatch. Issues are typically resolved by dispatchers, but may be escalated to a supervisor or higher if needed. Customer complaints are logged and documented in an email to all supervisors with the corrective action taken. FEOC strives to address complaints within 24 hours.

#### Scheduling, Dispatch, and Operations

The FEOC has a total of 14 full-time drivers (at least 35 hours a week) and 31 part-time drivers. Currently, all drivers are hired as part-time drivers, though they are guaranteed at least 30 hours to qualify for benefits. FEOC cannot guarantee eight hours per day, but drivers may go over the minimum hours when people call out or go on vacation, and many are essentially working full time (over 35 hours per week). Full-time drivers were hired prior to this hiring policy and were grandfathered in.

Creating routes can be a challenge due to individual rider considerations (which may limit how many riders can be on a bus or require a driver of a particular gender). Riders enrolled in Central Valley Regional Center programs can choose which program to attend, and it may not be the closest to their residence. In addition, programs can be shut down unexpectedly, such as in the case of illness.

Drivers, dispatchers, mechanics, and detailers are represented by Amalgamated Transit Union Local 1027. Policies for absence and sick leave are clearly defined in the driver handbook. Call-outs due to illness must be received 24 hours before the start of the shift. The morning supervisor uses available standby or relief

drivers to cover call-outs. If there are no drivers available, clients for that route will be assigned to other routes.

All services are operated in-house. Drivers bid on assignments annually based on the guidelines of their union contract, and then as needed to cover open routes. Not all drivers are cross-trained between services, but many are. The pay scale encourages opportunities to train and advance. School bus drivers must be licensed to operate a school bus, and paratransit drivers must have a Class B license with a passenger endorsement. All standby drivers are school bus-certified. Per the union agreement, Supervisors are also trained to drive if necessary.

Vehicles with the lowest mileage are assigned to the longer routes. Buses are designated as School Pupil Activity Bus (SPAB) certified by the California Highway Patrol must be used for service provided under contract to the Fresno Unified School District. Dispatch, supervisors, and maintenance communicate which vehicles are in good repair. At the end of each day, the Maintenance Manager returns vehicle keys to buses that are back in service and removes keys from vehicles that are being taken out of service. The Maintenance Manager also sends out a daily list of downed vehicles that will be out of service the following day.

#### Personnel Management and Training

Recruitment is done primarily through the FEOC's website, Indeed, and job fairs. At the time of the site visit, the FEOC was primarily hiring recruits with a commercial license, but offers a few training classes each year. It is not too difficult to hire for paratransit drivers, but the school bus certification is more difficult. FEOC has its own driver trainer and conducts in-house training for drivers to upgrade to the school bus certification. At the time of the site visit, FEOC had a sufficient number of paratransit drivers but could use another three to five school bus drivers. FEOC does offer referral bonuses to existing employees. All drivers receive an annual performance evaluation.

Turnover is relatively low (about 15 percent), but is primarily due to higher wages. In some cases, drivers stay for a few months, then go over to Handy Ride in Fresno. About 20 percent of those come back to FEOC because they do not want to work late nights or weekends. FEOC is more flexible with scheduling.

The Road Safety Coordinators are responsible for training all new and existing drivers. The Road Safety Coordinators hold DMV Commercial Driver License Examiner Training Certificate, TSI Fundamentals of Bus Collision Investigation, TSI Transit Supervisor Certification, and TSI Reasonable Suspicion and Post Accident Testing Determination Seminar.

The Transit Systems Director oversees the safety program. The FEOC's safety program is provided to every employee and details all safety guidance. This program meets all CHP requirements. In-service meetings with drivers are conducted quarterly, with remedial training provided on an as-needed basis.

There are clear, communicated policies in place regarding discipline, absences and tardiness. Drug and alcohol policies, including the FEOC's random testing program, are in compliance with federal regulations. Full-time employees and part-time employees are eligible to receive benefits including health, dental, vision, and life insurance; vacation leave; sick leave; and retirement. Employees are offered information about benefits during orientation.



## Maintenance

All vehicle maintenance is done in-house. Preventative maintenance is based on OEM time and mileage recommendations. All maintenance meets or exceeds manufacturers suggested intervals. It is tracked with Collective data and Trackit Manager software. Spare vehicles are sufficient that maintenance does not affect service delivery. Warranty work is covered using a manufacturer's authorized shop.

The facility has four bays and two lifts and is staffed by five mechanics. The FEOC does not have the equipment to do major component overhauls or replacements. Engines, transmissions, differentials, and tires (including alignment) are typically sent to local outside vendors. There is sufficient space for administrative offices and records storage.

FEOC would like to add permanent heaters for its maintenance technicians and relocate administrative offices out of the shop so personnel can avoid harmful exhaust fumes from vehicles being repaired. Even with portable heaters, the building is still cold in the winter. The Maintenance Manager has to crack the door of the office to get airflow to disperse exhaust fumes. The Transit Systems Director would like to expand the facility but the priority has been on constructing the solar farm.

The greatest maintenance challenge during the audit period has been maintaining an aging fleet. At the time of the site visit, 70 percent of the fleet is at least 10 years old, and after 10 years it can be difficult to locate certain components that are no longer being made by the manufacturer. The majority of the parts that are breaking do so in the summer (air conditioning, belts, etc.). The air conditioning units must work harder when the door are open and wheelchair lifts are deployed. FEOC tries to buy in bulk at the beginning of the year so it has parts on hand.

At the time of the site visit, a lack of drivers was not what was holding FEOC back. Rather, it is a lack of vehicles that is limiting service. FEOC applies for funding under FTA Section 5310, but last time they were awarded funding it took years to get the vehicles. Most vehicles are aging, some with more than 400,000 miles. FEOC has been looking for grants, but many of them require a 20 to 50 percent match. It is exploring opportunities to lease electric vehicles, but must wait until it has access to solar power. Once the solar facility is operational, it will be able to collect revenue from excess electricity as well as fuel electric vehicles. FEOC is trying to make the existing fleet work until it can begin transitioning to electric vehicles, though it will need to continue operating some gas vehicles in the future due to the longer range needed for some special trips.

FEOC mechanics use a lock-out, tag-out procedure to ensure unsafe buses are not put into service. The Maintenance Manager reviews all driver pre-trip inspections on a daily basis in order to schedule any critical repairs or address failures or malfunctions, so that the fleet is ready the following day. Critical non-stock components can also take longer to acquire due to the age of the vehicles. There is little idle time for maintenance personnel.

FEOC has a secure, locked parts room with video surveillance. Only maintenance staff has access. Stock levels, pricing, and parts numbers are tracked through the Collective data maintenance program. Stock levels for commonly used items are adequate to perform preventive maintenance.



At the time of the site visit, FEOC was working on getting garage insurance so that it could begin providing maintenance services to small transportation providers to local organizations. FEOC believes it can offer a less expensive alternative to the dealership.

Exhibit 7.2 FEOC's Passenger Fleet

Quantity	Year	Make	Model	PAX	WC Positions
1	2007	FORD	E450	17	1
4	2008	FORD	E450	17	5
3	2010	FORD	E450	17	5
5	2011	FORD	E450	17	5
8	2013	FORD	E450	17	5
10	2015	FORD	E450	17	5
4	2016	FORD	E450	17	5
5	2019	FORD	E450	17	5
3	2021	FORD	E450	17	5
2	2024	FORD	E450	17	5

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## Chapter 8 | Findings and Recommendations

### Conclusions

Moore & Associates finds the Fresno Economic Opportunities Commission to be in compliance with the requirements of the Transportation Development Act. In addition, the entity generally functions in an efficient, effective, and economical manner.

### Findings

Based on discussions with FEOC staff, analysis of program performance, and an audit of program compliance and function, the audit team presents no compliance findings.

The audit team has identified one functional finding. While this finding is not a compliance finding, the audit team believes it warrants inclusion in this report:

1. The FEOC is no longer a designated CTSA, and is therefore no longer considered a TDA claimant or transit operator under the TDA.

### Program Recommendations

In completing this Triennial Performance Audit, the auditors submit the following recommendations for the FEOC's public transit program. They are divided into two categories: TDA Program Compliance Recommendations and Functional Recommendations. TDA Program Compliance Recommendations are intended to assist in bringing the operator into compliance with the requirements and standards of the TDA, while Functional Recommendations address issues identified during the audit that are not specific to TDA compliance. Each finding is presented with the elements identified within the 2011 *Government Auditing Standards* as well as one or more recommendations.

Given there are no compliance findings, only functional findings and recommendations are presented below.

### Functional Finding 1: The FEOC is no longer a designated CTSA, and is therefore no longer considered a TDA claimant or transit operator under the TDA.<sup>4</sup>

**Criteria:** There are three definitions in the Public Utilities Code that are relevant to this finding:

- Claimant – an operator, city, county, or consolidated transportation service agency. (PUC 99203)
- Consolidated Transportation Service Agency (CTSA) – an agency designated pursuant to subdivision (1) of Section 15975 of the Government Code. (PUC 99204.5)
- Operator – any transit district, included transit district, municipal operator, included municipal operator, or any transit development board. (PUC 99210)

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<sup>4</sup> A similar finding and recommendation are also included in the Triennial Performance Audits for the City of Fresno, Fresno County Rural Transit Agency, and Fresno Council of Governments.

Historically, FEOC has been treated as an operator under the TDA given it was a co-designated CTSA and direct TDA claimant.

**Condition:** Beginning in FY 2021/22, FEOC is neither a TDA claimant nor one of the co-designated CTSA providers. It also does not meet the TDA definition of an operator given it is not a public entity. Currently FEOC serves as a contracted service provider for both FAX and FCRTA, which purchase services from FEOC on a cost per revenue hour basis using TDA Article 4.5 (CTSA) funds claimed directly by them.

**Cause:** A change in the CTSA designation and the relationship between FEOC and FAX/FCRTA is the cause of this finding.

**Effect:** FEOC should no longer be considered an operator or claimant under the TDA.

**Recommendation:** With respect to TDA, FEOC should now be considered as a contractor to FAX and FCRTA rather than as a transit operator.

**Recommended Action:** In redesignating FEOC as a contractor, it is no longer responsible for demonstrating compliance with the TDA requirements for claimants except as they may be included within their contracts with transit operators for which they provide services. This means FEOC no longer should undergo a Triennial Performance Audit. It also means that FAX and FCRTA should be reporting CTSA performance data where appropriate and included CTSA funds as part of their TDA fiscal audits.

**Timeline:** FY 2024/25.

**Anticipated Cost:** Negligible.

Exhibit 8.1 Audit Recommendations

Functional Recommendations		Importance	Timeline
1	With respect to TDA, FEOC should now be considered as a contractor to FAX and FCRTA rather than as a transit operator.	High	FY 2024/25